**Amendments to the Specification**

Please replace paragraph [047] with the following:

[047] Figure 7 shows a noise shaping method described by Kingsbury et al. in "Redundant Representation with Complex Wavelets: How to achieve sparsity?," Proc. IEEE Int'l Conference on Image Processing, 2003. The incoming video is denoted by $x$. In the first iteration, after the dual-tree DWT 610, the coefficients $y_0$ 701 are quantized 710. Then, the quantized coefficients, $\hat{y}_0$ 702, are transformed 720 back into the video domain to obtain a quantized video, $\hat{x}_0$ 703. An error 704 between the original and quantized video is $e_0 = x_0 - \hat{x}_0$. This error signal is then transformed back 730 into the wavelet domain and denoted by $w_0$. Then, the reconstructed video 706 is $y_1 = \hat{y}_0 + w_0$, after a delay 740. The above process is repeated until a target number of coefficients are obtained. Within the loop, a multiplier $k$ 707 is applied to the error signal to compensate for losses in the error signal resulting from the projection process. For stable convergence, a value in the range [0,2] is used.